

EVOS Parcel Acquisition - Afognak**FY2009 Request: \$10,000,000****Reference No: 45263****AP/AL:** Appropriation**Category:** Natural Resources**Location:** Afognak**House District:** Kodiak (HD 36)**Estimated Project Dates:** 07/01/2008 - 06/30/2010**Project Type:** Renewal and Replacement**Contact:** Leta Simons**Contact Phone:** (907)465-2400**Brief Summary and Statement of Need:**

EVOS funds will be used to purchase approximately 6,200 acres on Northern Afognak Island located between Afognak Island State Park, the Kodiak National Wildlife Refuge and other State lands. The Exxon Valdez Oil Spill Trustee Council determined that these parcels contribute to the restoration of resources and services injured by the Exxon Valdez oil spill. Acquisition of these parcels are consistent with Strategy 6 of Division of Parks 10-Year Strategic Plan and provide connectivity between existing public lands and a consistent management scheme supportive of continued hunting, fishing, subsistence and recreational activities in this area. EVOS funds will leverage federal grant funds and private donations.

Funding:	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	Total
EVOS	\$10,000,000						\$10,000,000
Total:	\$10,000,000	\$0	\$0	\$0	\$0	\$0	\$10,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

SLA04/CH159 \$ 1,000,000.0 Due diligence work in progress

SLA05/CH3 \$ 1,000,000.0 Due diligence work in progress

Project Description/Justification:

Exxon Valdez oil spill settlement funds will be used to match federal grant funds and private donations to purchase approximately 6,200 acres on Northern Afognak Island. This project will further Trustee Council restoration objectives for Northern Afognak Island by protecting lands identified as being of significant restoration value for resources and services injured by the Exxon Valdez Oil Spill. The project will also ensure connectivity and a consistent management strategy between state lands that will support hunting, guiding, fishing, and recreational uses in the area. In addition, this project is consistent with DNR's management objective of securing lands to meet recreational and access needs of an increasing population consistent with the Division of Parks and Outdoor Recreation's 10-Year Strategic Plan, Planning Goal for Recreation, Objective III, Action Strategy 6. Consistent with the Division of Park's planning guidance, DNR's plan for this area is to increase recreation, sport hunting and fishing, and tourism opportunities and otherwise manage the land consistent with the purposes for which the land is acquired.

Northern Afognak is characterized by low mountains and rolling hills with numerous lakes and streams. The evaluation process documented numerous anadromous streams that provide valuable spawning habitat for pink, coho, sockeye, and chum salmon and dolly varden. The rocky shorelines of this area are rich with kelp beds, pockets of eelgrass, mussels, and invertebrates that support black oystercatchers, pigeon guillemots, marbled murrelets, and harlequin ducks. There is

evidence of nesting marbled murrelets and a high probability that harlequin ducks nest within the area. Numerous bald eagle sites were also documented. Both river otters and sea otters feed along the shoreline and the area also provides denning, pupping and feeding habitat in western Perenosa Bay and Discoverer Bay. Pacific herring spawn along the coastline and are expected to benefit from the protection of shoreline habitat. The area is a popular high-value wilderness recreation area supporting both personal and commercial sport hunting, fishing, camping and boating.

In 1993 the Trustee Council purchased the Seal Bay and Tonki Cape parcels, totaling 41,549 acres on the eastern side of Northern Afognak. In 1994, the Alaska Legislature designated these lands as Afognak Island State Park. In November 1998, Afognak Joint Venture transferred to the state and federal government surface title to approximately 41,376 acres located to the west of the Seal Bay and Tonki Cape transactions. There remains however, significant acreage separating these management units in the area of Perenosa Bay, hindering movement between the two.

In 2002 the Trustee Council authorized \$10.5 million in matching funds for the acquisition of lands located between the two previous acquisition packages on Northern Afognak in the general vicinity of Perenosa Bay. The Council determined that the Northern Afognak lands were important to the restoration of injured resources and services and through the authorizing resolution challenged Rocky Mountain Elk Foundation and the American Land Conservancy (the partners) to secure matching funds to enable purchase. The Rocky Mountain Elk Foundation and the American Land Conservancy secured two National Coastal Wetlands grants as well as significant private foundation funding, thereby completing a portion of the project envisioned by the Trustee Council. The partners, working with the State, purchased the Waterfall parcel and retained timber rights using approximately \$4,500,000 in federal grants and private sector funding. However, the previous administration did not support the use of Trustee Council funds for this project, so that the State was unable to utilize Trustee Council funds as a match for federal and private dollars. It should be noted that in the last few months of his term, opposition to the project was removed.

Two additional National Coastal Wetlands grants totaling \$1,855,000 were recently awarded based upon an evaluation of the Portage Lake area. Private sector donations and two smaller Coastal grants are also being used to further efforts in this area. The partners also submitted a fiscal year 2008 Forest Legacy grant proposal to the national competition where it was ranked 25th nationally. The Forest Legacy program for 2008 is awaiting Congressional budget action. Trustee Council funding would further leverage federal and private sector contributions.

Due diligence efforts associated with this project such as appraisals, title work and site evaluations are ongoing. Completion of appraisals is anticipated in December. EVOS Trustee Council funds authorized through this project will contribute to purchase of the following parcels leveraging federal and private sector funding. No general funds will be utilized.

Landowner	Parcel Name	Acres
Natives of Kodiak, Inc.	Portage Drainage	2,240
Natives of Kodiak, Inc.	Trail easement	~300
Shuyak Natives, Inc.	Little Waterfall Lake	1,678
Shuyak Natives, Inc.	Delphin Pt	439
Uganik Natives, Inc.	Big Waterfall Lake	1,606
Uganik Natives, Inc.	Delphin Pt	147

Evaluations of the northern Afognak area have determined that protection of these parcels will contribute to the restoration or stability of resources and services injured by the Exxon Valdez oil spill such as pacific salmon, pacific herring, black oystercatchers, common murrelets, harbor seals, harlequin ducks, marbled murrelets, pigeon guillemots, river otters, sea otters and services supported by these resources such as recreation and tourism, sport hunting and fishing, guiding, and subsistence. While some of these resources have been categorized by the Trustee Council as recovered, resources such as herring, harlequin ducks, black oystercatchers, intertidal communities, pigeon guillemots, sea otters, and marbled murrelets have not yet been categorized as recovered. Protection of habitat utilized by these resources will support recovery and help to stabilize injured populations. Services injured by the spill are not yet categorized as recovered and this project will support and enhance recreation, sport hunting and fishing, and tourism opportunities in this area.

Why is this Project Needed Now?:

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It is important to complete this project now in order to take advantage of previously awarded National Coastal Wetlands Grants which have a two-year project duration. EVOS funding provides valuable match for federal grant funds. In addition, all three landowners have signed option agreements and are interested in selling their lands in a reasonable timeframe.

Specific Spending Detail:

<u>LINE ITEM</u>	<u>DOLLAR AMOUNT</u>
Capital Outlay	\$ 10,000,000

Project Support:

Supporting organizations include The American Land Conservancy, The Rocky Mountain Elk Foundation, The Kodiak Brown Bear Trust, The Paul Allen Foundation, National Fish and Wildlife Foundation, Thorsen Foundation, Vital Ground Foundation and Johnny Morris Creel Foundation. The project enjoys strong support from the Kodiak Island Borough, residents of Kodiak and Afognak, as well as environmental organizations such as The Conservation Fund and Nature Conservancy.

Project Opposition:

There may be individuals who have a philosophical objection to placing additional land in state management. Other individuals may question the process used to determine purchase price; however, federal grant programs will not consider purchases in excess of Fair Market Value and the Trustee Council Appraisal instructions clearly limit value to an economic value as determined by an appraisal consistent with Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA).